GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2967
ANSWERED ON:02.12.2016
Abnormal Agricultural Incomes
Azad Shri Kirti (JHA)

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to probe well placed and affluent citizens having declared abnormal agricultural incomes in a bid to evade Income Tax;

(b) if so, the details thereof; and

(c) the steps taken by the Government to plug the loopholes of Income Tax exemption on agricultural income and bring such agriculturist under the tax net?

Answer

MINISTER OF STATE FOR FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) & (b): Appropriate action against tax evasion, including those declaring abnormal, non-genuine agricultural income, is an on-going process. Such action under direct tax laws includes searches, surveys, enquiries, assessment of income, levy of taxes, imposition of penalties, etc. and filing of prosecution complaints before criminal courts, wherever applicable. Further, disclosure of information regarding specific taxpayers is prohibited except as provided under section 138 of the Income-tax Act, 1961.

(c): Agricultural income is not subject to Income-tax under the Income-tax Act, 1961 and it is used for rate purposes only. Action for detecting tax evasion is an on-going process. The Income Tax Department (ITD) collects information pertaining to agricultural income of the taxpayers, inter-alia, through their Income Tax Returns, and the same along with the information collected from various other sources and that available in the ITD database is used for identification of risk parameters for appropriate action under direct taxes laws.